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September 1, 1988

Mineral Resource Development
 and Reclamation Program
 Department of Natural Resources
 Division of Oil, Gas and Mining
 State of Utah
 355 West North Temple
 3 Triad Center, Suite 350
 Salt Lake City, UT 84180-1203

RECEIVED
 SEP 6 1988

DIVISION OF
 OIL, GAS & MINING

Attention: Lowell P. Braxton, Administrator

Re: Barney's Canyon Project, N/035/009

Dear Mr. Braxton:

Thank you for sending copy of your letter of August 31, 1988, to Mr. Gerald D. Schurtz, Manager--Environmental Engineering Kennecott Explorations, regarding this project.

I understand from your letter that the Division of Oil, Gas and Mining has given a approval for the Barney's Canyon Project subject to the three conditions contained in your letter. One of the conditions is that no construction of the specific facilities requiring approval by the Utah Bureau of Water Pollution Control shall be permitted until that Bureau issues a construction permit for the project. It is my further understanding that your Division's approval is limited to the reclamation aspects of the Project having an approximate cost of \$2,700,000.

In view of the foregoing, it is also my understanding that actual construction of the project will not be undertaken until the Water Pollution Control Board grants its approval thereof which is the principal concern of the Copperton Improvement District, which I represent, and which continues to object to the Project until the public health authorities concerned have determined that every reasonable action has been taken as determined by those public health authorities to protect the District's culinary water being obtained from deep water wells located in the vicinity of the Project.

Lowell P. Braxton
September 1, 1988
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If my understanding of the foregoing is in error, please
advise me as soon as possible.

Very truly yours,

William T. Thurman

William T. Thurman

WTT:wm

cc: W. Blaine Milner, Chairman
Copperton Improvement District
Don A. Ostler, Executive Secretary
Bureau of Water Pollution Control